



ICD-10-CM and ICD-10-PCS — Frequently asked questions for HIM and Patient Financial Services Leaders

Executive questions

Q: What is the current status of ICD-10?

A: The U.S. Department of Health and Human Services has issued its final rule that the ICD-9-CM code sets be replaced with ICD-10 code sets, effective October 1, 2013.

Q: Why should a healthcare organization be concerned with the ICD-10 transition now when the implementation date isn't until October 2013?

A: Given the potential financial and clinical impact of ICD-10 and the dramatic changes required for information systems, 3M Health Information Systems encourages healthcare organizations to take steps now to understand how to successfully prepare for ICD-10 implementation.

Q: What should I be doing now to prepare my facility for ICD-10?

A: Leaders tasked with preparing a hospital or other healthcare organization for ICD-10 should begin by creating a cross-functional team that can prepare for and address the clinical, financial, and information system needs. HIM directors and coding managers are key catalysts in this team's success.

The cross-functional team should create a strategy and objectives to manage the ICD-10 transition for the facility. By meeting regularly, the team can identify the needs and action plans for the transition, such as: education, information systems inventory and gap analysis, vendor preparation, documentation improvement, resources, financial impact, payer preparation, reports, etc.

The American Health Information Management Association (AHIMA) has published a checklist about preparing for ICD-10 at: <http://www.ahima.org/icd10/icd-10PreparationChecklist.mht>.

Q: Who may need education on ICD-10-CM and ICD-10-PCS in my facility?

A: The following groups will likely need education:

Group	Type of education
Health information management	ICD-10 CM and PCS structure and coding guidelines
Patient financial services	Impact on grouping and payment
Information technology	Interface and internal systems impact
Clinicians	Documentation improvement to capture specificity of ICD-10
Compliance staff	ICD-10-CM/PCS structure and coding guidelines; proper documentation
Accounting and finance	Impact on reporting, cost accounting, grouping and payment
Auditors	Impact on reporting, cost accounting, grouping and payment
Consultants	Impact on reporting, cost accounting, grouping and payment
Quality management	Impact on reporting, databases and cost accounting
Utilization management	Documentation to capture specificity of ICD-10; impact on reporting and databases
Patient registration	Documentation; impact on medical necessity and POA
Ancillary departments	Documentation to capture specificity of ICD-10
Researchers	Impact on reporting; documentation to capture ICD-10 specificity

HIM department questions

Q: What should an HIM department be doing to prepare for ICD-10?

A: HIM leaders should:

- Play an active role on ICD-10 teams
- Provide education to executives and team members
- Determine department education needs
- Stay informed on national ICD-10 developments
- Work with IT department to prepare HIM systems
- Improve documentation and query processes to address the specificity of ICD-10

AHIMA has published an ICD-10 preparation checklist at: <http://www.ahima.org/icd10/icd-10PreparationChecklist.mht>.

Q: Where can I find training for my coders?

A: AHIMA has taken the lead in providing training by offering the AHIMA Academy for ICD-10-CM/PCS Trainers program, as well as books and audio seminars. An AHIMA *E-alert* (Volume 5, Issue 47, December 4, 2003) provides a road map to ICD-10. Many other professional organizations, schools, and vendors are also planning to provide training as implementation gets closer. 3M Health Information Systems will provide educational sessions.

Q: What code set does ICD-10-CM define?

A: ICD-10-CM defines the **diagnosis** code set used to report inpatient and outpatient conditions.

Q: What code set does ICD-10-PCS define?

A: ICD-10-PCS (Procedure Coding System) defines the code set used to report **inpatient procedures**.

Q: How do the numbers of diagnosis codes compare from ICD-9-CM to ICD-10-CM?

A: ICD-9-CM contains approximately 13,000 three-to-five-character alphanumeric diagnosis codes. ICD-10-CM contains approximately 68,000 three-to-seven-character alphanumeric diagnosis codes.

Q: How do the numbers of procedure codes compare from ICD-9-CM to ICD-10-PCS?

A: ICD-9-CM contains approximately 4,000 three-to-four-character numeric procedure codes. ICD-10-PCS contains approximately 87,000 seven-character alphanumeric procedure codes.

Q: What are the major changes in ICD-10-CM?

A: The major changes coming in ICD-10-CM include:

- Alphanumeric codes
- Expanded injury codes, grouped according to site rather than type of injury
- Combination of diagnosis/symptom codes
- Addition of a sixth character with some codes extended out to the seventh character
- Laterality (left and right specified where applicable)
- V and E codes incorporated into the main classification
- Obstetric codes that identify trimester
- Diabetes category that differentiates between Type I and Type II diabetes, drug or chemical induced diabetes, and diabetes due to an underlying condition
- The additions of ambulatory and managed care encounter information
- Postoperative complications are expanded and located within the individual chapters

Q: What is the ICD-10-CM structure?

A: The ICD-10-CM structure consists of:

- *Index to Diseases and Injuries*
- *Draft Official Guidelines*
- *Tabular List of Diseases and Injuries*
 - 21 chapters
 - V and E codes are incorporated into the main classification
 - Code blocks begin chapters
 - Valid codes can be three, four, five, six or seven characters
 - The first character is always a letter, and the following two characters are always numbers
 - The fourth and fifth characters can be numbers or letters
 - In some cases, the fifth character can be a placeholder, character “x,” within certain six-character codes as a mechanism for future expansion
 - There are two excludes:
 - **Excludes1** designates a true excludes situation (“Not coded here”)

- **Excludes2** designates the excluded condition is not represented by the code in question, but the patient may have both conditions at the same time, and both may be coded (“Not included here”)

- Injury codes have been expanded so the:
 - Fifth character defines type of injury
 - Sixth character defines laterality
 - Seventh character defines the encounter

Q: What is the code structure of ICD-10-PCS?

A: ICD-10-PCS has a seven-character alphanumeric code structure. Each character has up to 34 values. They are the ten digits 0–9 and the 24 letters A–H, J–N, and P–Z. The letters O and I are not used to avoid confusion with the digits 0 and 1.

The first character of the procedure code specifies the section. The possible sections are:

0 – Medical and Surgical	8 – Other Procedures
1 – Obstetrics	9 – Chiropractic
2 – Placement	B – Imaging
3 – Administration	C – Nuclear Medicine
4 – Measurement and Monitoring	D – Radiation Oncology
5 – Extracorporeal Assistance and Performance	F – Physical Rehabilitation and Diagnostic Audiology
6 – Extracorporeal Therapies	G – Mental Health
7 – Osteopathic	H – Substance Abuse Treatment

The second through seventh characters have a consistent meaning within each section, but may have different meanings across sections. In most sections, the third character specifies the type of procedure being performed, while the other characters specify additional information, such as the body part on which the procedure is being performed.

Q: What are the characteristics of ICD-10-PCS?

A: ICD-10-PCS has four essential characteristics:

- *Completeness*—There is a unique code for all substantially different procedures.
- *Expandability*—As new procedures are developed, the structure of ICD-10-PCS allows them to be easily incorporated as unique codes.
- *Multi-axial*—ICD-10-PCS consists of independent characters, with each individual component retaining its meaning across broad ranges of codes to the extent possible.
- *Standardized terminology*—ICD-10-PCS includes definitions of the terminology used. Each term is assigned a specific meaning.

Q: When will coding guidelines be available for ICD-10?

The National Center for Health Statistics (NCHS) and Centers for Medicare and Medicaid Services (CMS) have published guidelines for ICD-10-CM and ICD-10-PCS, respectively. The NCHS/Centers for Disease Control published the most recent release of ICD-10-CM coding guidelines at <http://www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm>.

ICD-10-PCS draft coding guidelines are published in Appendix B of the ICD-10-PCS Reference Manual on the CMS website. CMS is a resource for code tables, General Equivalence Mappings (GEMs), and some education. Links to highlights on the current CMS website include:

- 2009 ICD-10 CM: http://www.cms.hhs.gov/ICD10/02m_2009_ICD_10_CM.asp
- 2009 ICD-10 PCS: http://www.cms.hhs.gov/ICD10/01m_2009_ICD10PCS.asp

3M offers a translation tool that allows healthcare organizations to translate ICD-9 codes to accurate ICD-10 counterparts and vice versa, based on the most current guidelines available.

Q: What guidelines were followed in developing ICD-10-PCS?

A: ICD-10-PCS adheres to the following guidelines:

- *Diagnostic information is not included in procedure description*—The diagnosis codes, not the procedure codes, contain the specific information regarding the nature of the disease or disorder.

- *Explicit Not Otherwise Specified (NOS) options are not provided*—A minimal level of specificity is required to construct a valid code in ICD-10-PCS. For example, it is necessary to specify the site of the procedure and the operative approach for all Medical and Surgical section procedures.
- *Limited use of Not Elsewhere Classified (NEC) option*—Because all significant components of a procedure are specified in ICD-10-PCS, there is generally no need for an NEC code option. However, limited NEC options are incorporated into ICD-10-PCS where necessary. For example, new devices are frequently developed, and therefore it is necessary to provide an “Other Device” option for use until the new device can be explicitly added to the coding system.
- *Level of specificity*—Based on the combinations of the seven alphanumeric characters, all procedures currently performed can be specified.

Q: What testing has been done on ICD-10?

A: The American Hospital Association (AHA) and AHIMA conducted a field study of ICD-10-CM, the results of which were reported to the Standards and Security Subcommittee of the National Committee on Vital and Health Statistics. The study ran from June 2003 through August 2003 and was necessary to support any recommendation on implementation of the systems established to replace ICD-9-CM diagnosis and procedure codes. CMS conducted a formal test of ICD-10-PCS using a CMS contractor.

Q: What were the results of the ICD-10 study?

A: There is a learning curve with ICD-10, but most coders participating in the tests were positive about the new system. The time it took to code test records was similar with ICD-9 and ICD-10. Many coders expressed confidence they would be able to code faster with ICD-10 after a short adjustment. View the full reports at these websites:

- ICD-10-CM study: www.ahima.org/icd10/documents/FinalStudy_000.pdf
- ICD-10-PCS study: www.cms.hhs.gov/ICD10/Downloads/598_final_report2009.pdf

Q: Does the move to ICD-10 benefit the electronic medical record?

A: Both ICD-10-CM and ICD-10-PCS are better for computer-assisted coding and other applications that support the electronic medical record.

Q: What can we learn from other countries that have implemented ICD-10?

A: The “lessons learned” from other countries are:

- Don’t wait. Take advantage of the lead time.
- Good preparation is critical.
- The learning curve is about six months.
- Start training coding professionals about six months before implementation.
- Communicating with vendors is vital.
- Communication throughout the facility is imperative.
- Transition leaders need to prepare for issues involving the use of both ICD-9 and ICD-10 for reporting, trending, comparisons, etc.

Q: Are translation tools available between ICD-9-CM and ICD-10?

A: The ICD-10 General Equivalence Mappings (GEMs) and the ICD-10 reimbursement mappings are available from CMS. The diagnosis GEMs are also available through the NCHS. The GEMs are intended for use as a bidirectional translation dictionary between ICD-9-CM and ICD-10 to aid organizations in converting systems, applications, reports, and documents. In addition, the reimbursement mappings are designed to be interposed between data submitted in ICD-10 codes and legacy systems using ICD-9-CM codes, so data can continue to be processed using the legacy system.

- ICD-9-CM/ICD-10-CM: <http://www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm>
- ICD-9/ICD-10-PCS: <http://www.cms.hhs.gov/ICD10/>

3M played a key role in developing the GEMS under contract with CMS and the NCHS.

The **3M™ ICD-10 Code Translation Tool** uses the CMS ICD-10 GEMs and reimbursement mappings to automate much of the translation process, and assists in using CMS logic to convert complex ICD-9 to ICD-10 relationships that cannot be automated.



Patient financial services questions

Q: What steps should we be taking to prepare for the transition to ICD-10 in PFS?

A: Several steps are suggested:

- Understand the financial impact of ICD-10
- Budget for resources, software, etc.
- Work with payers to determine when they will be ready for ICD-10, and identify any policy changes (e.g., impact to medical necessity)
- Identify changes to financial and operational reports to accommodate ICD-10

Q: Are providers and payers required to transition to ICD-10 at the same time?

A: In the ICD-10 final rule, a single compliance date is required for all covered entities to reduce issues caused by using different code sets. Providers and payers will use ICD-10 for discharges on or after October 1, 2013. For a period of time after October 1, 2013, both ICD-9 and ICD-10 claims will be running through revenue cycle management systems as pre-October 1st claims are coded and processed.

Q: So, after October 1, 2013, both providers and payers will no longer use ICD-9-CM?

A: The HIPAA rule requires current valid codes for reporting services. For inpatient claims, the date of discharge determines the valid codes. For outpatient claims, the date the service was rendered determines valid medical codes.

Q: What impact do ICD-10-CM and ICD-10-PCS have on the MS-DRGs (Medicare IPPS)?

A: CMS is currently converting version 26.0 of MS-DRGs to ICD-10. The goal of conversion of MS-DRGs is that a patient record, whether coded in ICD-9-CM or ICD-10-CM/PCS is assigned to the same DRG. MS-DRGs version 26.0 conversion to ICD-10 is scheduled for completion in October 2009 and will be published in definitions manual format for public comment beginning 2010. The final ICD-10 version of MS-DRGs will be subject to the usual rule-making process.

Q: Will payers be required to update their systems to use ICD-10-CM and ICD-10-PCS codes?

A: Yes. The HIPAA rule requires that there be one official code set for all healthcare entities in the U.S.

3M product questions

Q: Will my 3M software be ready for ICD-10?

A: Yes. All 3M software will be ICD-10 ready well in advance of October 2013. 3M already has coding products in use internationally in countries using ICD-10 (Australia, Canada, and New Zealand). To help prepare for the U.S. implementation, references, services, and functionality will be added to the software prior to October 2013.

3M™ Codefinder™ Software customers already have a new ICD-10 comparison tool that allows a user to see the equivalent ICD-10-CM code(s) for an ICD-9-CM code listed on the Coding Summary screen.

Q: Will we be able to get software that can be used for testing in advance of implementation?

A: Yes. "ICD-10 ready" 3M products will be delivered well in advance of October 2013, so you'll have the necessary time for planning, implementing, and testing systems and processes, as well as training personnel. Test-ready ICD-10 products will be available a minimum of six months in advance of October 2013. Production-ready products will be ready at least three months prior to the implementation date.

Q: What other resources will 3M offer for ICD-10 preparation?

A: 3M offers free webinars to provide education and updates on ICD-10. Our consulting services can also assist you with ICD-10 knowledge transfer, systems/data analysis, documentation process reviews, and assessing ICD-10 readiness.

Hospitals and healthcare organizations needing help with existing ICD-9 based systems, applications, reports and documents should consider the **3M™ ICD-10 Code Translation Tool**. It automates much of the translation process and assists in converting complex ICD-9 to ICD-10 relationships that cannot be automated. This is an ideal solution for applications developed in-house.

General questions

Q: What is the International Classification of Diseases?

A: ICD is a classification system developed and maintained by the World Health Organization (WHO) and used to identify diseases and other health conditions documented on medical records. It is used internationally to report morbidity and mortality statistics. Many countries have taken the base WHO ICD-10 code set and modified it to more accurately represent the conditions in their healthcare systems. The U.S. currently uses the ICD-9-CM code set (ICD 9th Revision Clinical Modification).

Q: How long has ICD-9-CM been in use?

A: ICD-9-CM has been used since 1979. WHO developed the international standard based on the medical knowledge of the 1970s.

Q: What code set does ICD-9-CM define?

A: ICD-9-CM Volumes 1 and 2 define the code set for reporting inpatient and outpatient diagnoses. ICD-9-CM Volume 3 defines the code set for reporting inpatient procedures.

Q: What is the current use of the International Classification of Diseases 10th revision (ICD-10)?

A: WHO has authorized the publication of ICD-10 in 42 languages. Approximately 99 countries use it for mortality and morbidity. Since 1999, the U.S. has used ICD-10 for mortality reporting.

Q: When was ICD-10-CM created?

A: WHO created the base ICD-10 in 1994. In 1997, NCHS released the first draft of the clinical modification (CM) to create ICD-10-CM for inpatient and outpatient diagnosis coding.

Q: What code set does ICD-10-CM define?

A: ICD-10-CM defines the code set used to report inpatient and outpatient diagnoses.

Q: When did development of ICD-10-PCS begin?

A: In 1992, CMS funded a project to produce a preliminary design to replace Volume 3 of ICD-9-CM. In 1995, 3M Health Information Systems began work on a three-year contract to complete development of a replacement system, ICD-10-PCS. 3M completed the final draft of ICD-10-PCS in 1998, and the annual update is available on: www.cms.gov.

Q: What code set does ICD-10-PCS define?

A: ICD-10-PCS (Procedure Coding System) defines the code set used to report inpatient procedures.

Q: Why are there two codes sets, ICD-10-CM and ICD-10-PCS, when there was only one for ICD-9-CM?

A: ICD-9-CM Volume 3 for procedures has the same structure and functionality as ICD-9-CM Volume 1 for diagnoses. ICD-10-PCS was designed with a different structure and functionality from ICD-10-CM.

Q: What code set defines outpatient procedures?

A: Current Procedure Terminology (CPT®) defines the code set for reporting physician services and outpatient procedures and is owned and maintained by the American Medical Association.

Q: What are the reasons for moving from ICD-9-CM to ICD-10-CM and ICD-10-PCS?

A: The ICD-9-CM code set is out of space for new codes to accurately represent new diagnoses and procedures. This impacts everyone who relies on coded data: payers, providers, and researchers in private and public sectors. ICD-10 has room to expand, and the codes more precisely identify diagnoses and procedures.

Q: Where can I learn more?

A: The ICD-10 final rule is available at <http://edocket.access.gpo.gov/2009/pdf/E9-743.pdf>. Also check:

- NCHS website: <http://www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm>
- CMS website: <http://www.cms.hhs.gov/ICD10/>
- AHIMA website: <http://www.ahima.org/icd10>
- 3M Health Information Systems website: <http://www.3Mhis.com/ICD-10>



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